

1                                   **RESOLUTION NO.**

2                   **WHEREAS**, the City of Austin has long been a center of arts, culture, and  
3 creative production, exemplified by our long-recognized status as the Live Music  
4 Capital of the World, a preferred destination for TV and film production and  
5 ground-breaking video game development, and home to diverse visual arts ranging  
6 from traditional to contemporary, as well as a rising star in live comedy and  
7 theatre; and

8                   **WHEREAS**, Austin’s vaunted status as a cultural leader and its vibrant  
9 creative economy are facing critical challenges, from the cost of housing to the loss  
10 of necessary spaces to create, collaborate, practice, and perform, undermining the  
11 ability to make a living in the arts; and

12                   **WHEREAS**, beginning in 2014 with Resolution No. 20141211-122, City  
13 Council directed the City Manager to develop recommendations for the creation  
14 and implementation of a local government corporation to support Austin’s  
15 economic development; and

16                   **WHEREAS**, in 2018, City Council approved a resolution for the City to  
17 analyze and develop strategies to enhance stability, preservation, and creation of  
18 creative arts cultural spaces through a community arts stabilization trust, resulting  
19 in the Austin Cultural Trust (Trust); and

20                   **WHEREAS**, the Trust was established to create, through purchase and long-  
21 term lease, affordable spaces that support artists and arts organizations, preserve  
22 historic and iconic cultural buildings, and create new spaces for creative and  
23 cultural uses, and to function in a way that provides for cultural assets to exist in all  
24 parts of the City; and

25           **WHEREAS**, following significant community engagement and work by the  
26 City, including the 2016 Cultural Asset Map Project Report, Thriving Places, the  
27 Creative Spaces Assistance Program, and the 2020 Cultural Trust Request for  
28 Interest; the Music and Art Commissions and working group joint  
29 recommendations from 2020, and other ecosystem stakeholders advocacy; and  
30 following many City Council resolutions as guidance, the ideas for the Trust  
31 proceeded to the implementation phase; and

32           **WHEREAS**, in 2020, City Council adopted Resolution No. 20201001-055  
33 creating the Austin Economic Development Corporation (AEDC), a local  
34 government corporation under Texas Transportation Code, Chapter 431,  
35 Subchapter D, and subsequently appointed AEDC to serve as program manager to  
36 facilitate the Trust; and

37           **WHEREAS**, in 2022, City Council adopted Resolution No. 20221208-029  
38 amending the interlocal agreement between the City and AEDC regarding the  
39 Trust and authorizing the City to negotiate and execute a lease agreement to AEDC  
40 for space in the City's Permitting and Development Center (PDC) located at 6310  
41 Wilhelmina Delco Drive, Austin, Texas 78752, for an annual lease rate of \$100,  
42 and authorizing the use of bond funds; and

43           **WHEREAS**, the space is proposed for development through the Trust as an  
44 affordable, multi-purpose arts space in an emerging arts and education district to  
45 address the loss of historic and existing venues and creative workspaces, and will  
46 include a multi-use black box theatre, rehearsal room, shared workspace, gallery  
47 and display space, and space for collaboration, career development, and  
48 mentorship; and

49           **WHEREAS**, many Austin artists and creative organizations and entities  
50 have urgent needs for space and have made significant investments of time and

51 resources to prepare to utilize this space, including two established Austin  
52 organizations that have been displaced from their former spaces and are intended  
53 to anchor the new facility and support the professional management of the space;  
54 and

55 **WHEREAS**, design has been planned to begin in the second quarter of  
56 2025, with occupancy by early 2026, with AEDC, now known as Rally Austin,  
57 serving as the master lessee of the space, with direct oversight and responsibility  
58 over day-to-day and all operations to ensure compliance with funding  
59 requirements, including bond money dedicated to arts purposes; and

60 **WHEREAS**, Rally Austin and the City have been engaged in lease  
61 negotiations for almost two years since City Council authorized the negotiation and  
62 execution of a lease agreement with the terms set forth in Resolution No.  
63 20221208-029, and still have not reached a final agreement; and

64 **WHEREAS**, further delay in executing a lease will lead to delays in design  
65 and construction, as well as sublease or other usage agreements, imperiling the  
66 ability of Austin artists and organizations to access the space within a reasonable  
67 time, resulting in the loss of valuable potential users and subtenants or the closure  
68 or exodus of creative organizations and artists from Austin, and will expand the  
69 timeframe to develop revenue to make the facility as self-sufficient as possible;  
70 and

71 **WHEREAS**, usage of such City spaces in the proposed manner is  
72 significantly more affordable than other alternatives that may require the  
73 construction or purchase of private property; and

74 **WHEREAS**, any intended use of the facility for creative space must be  
75 affordable to potential tenants and users to meaningfully achieve the goals of the

76 previously cited Council resolutions and the Austin Cultural Trust, and any lease  
77 agreement must reflect that goal; **NOW, THEREFORE,**

78 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

79 The City Council directs the City Manager to prioritize the prompt  
80 negotiation and execution of a lease agreement with AEDC d/b/a Rally Austin for  
81 the approximately 7,006 square feet of space in the City's Permitting and  
82 Development Center located at 6310 Wilhelmina Delco Drive, Austin, Texas  
83 78752, consistent with the intent and goals of previous City Council resolutions,  
84 direction, and community engagement.

85 **BE IT FURTHER RESOLVED:**

86 To facilitate a timely and fair result that reflects well-established City  
87 Council and community expectations and prior City commitments, the City  
88 Manager is directed to work with relevant departments and include the following  
89 lease provisions for the purpose of providing a truly affordable and sustainable  
90 space, in alignment with the use and scope of the Austin Cultural Trust to provide  
91 affordable cultural arts infrastructure:

- 92 1. Waiving in whole Rally Austin's share of annual PDC operating facility and  
93 management expenses, which substantially and unpredictably increases  
94 financial obligations beyond the annual rent of \$100 as directed by the City  
95 Council; and
- 96 2. Work with the Transportation and Public Works Department to examine  
97 waiving or reducing all parking charges in the PDC Garage for the operators,  
98 performing/exhibiting artists, patrons, and other visitors utilizing the cultural  
99 arts venue.

100 **BE IT FURTHER RESOLVED:**

101 The City Council further directs the City Manager to provide ~~a draft lease~~  
102 ~~agreement and~~ an update on the lease agreement to the City Council by no later  
103 than ~~the December 10, 2024~~ January 28, 2025, ~~Council Work Session~~, including  
104 any City ordinances, regulations, or policies that may require waiver by City  
105 Council vote at a City Council meeting.

106 **BE IT FURTHER RESOLVED:**

107 The City Council further directs the City Manager to review Rally Austin's  
108 current operational model for the creative space at the PDC and identify a funding  
109 source or sources by which the City can provide a recurring operating subsidy for  
110 ~~the first 20 years of Rally Austin's operation~~ the cultural space. Staff should report  
111 their findings and recommendations regarding potential funding sources to the City  
112 Manager and the City Council on or before April 11, 2025, in order to provide  
113 sufficient time for consideration as part of the Fiscal Year 2026 budgeting process.

114 **BE IT FURTHER RESOLVED:**

115 As the City of Austin and Rally Austin share a unique relationship through  
116 Rally Austin's status as a local government corporation and non-profit  
117 organization, Rally Austin is responsible for acting on behalf of or providing  
118 support to the City in various capacities, including the Austin Cultural Trust.  
119 Recognizing the corporation must comply with various state statutes and local  
120 requirements in operating and fulfilling its purpose to the City, the City Manager is  
121 directed to consider all other actions that the City can take to support the efficient  
122 accomplishment and advancement of Rally Austin's responsibilities for the PDC  
123 creative space.

125 **ADOPTED:** \_\_\_\_\_, 2024 **ATTEST:** \_\_\_\_\_

126 Myrna Rios

City Clerk

DRAFT